



Irish Life Weekly Investment Bulletin

The week that was – WEEK 01 (ending 06/01/2017)

**“One resolution I have made, and try always to keep, is this: To rise above the little things.” -
John Burroughs**

Irish unemployment rate falls to 7.2% in December – The Central Statistics Office (CSO) reported that the seasonally-adjusted unemployment rate for December was 7.2%, down from 7.3% in November and is now less than half the peak of 15.1% hit during the financial crisis. The current Eurozone average rate is 9.8%.

Irish manufacturing rises to 17-month high – The Investec Manufacturing Purchasing Managers' Index (PMI) increased to 55.7 in December from 53.7 in November, returning to near the level it had reached before the Brexit vote. This was the third month in a row of increases and the highest level reached since mid-2015.

Global stock market up 1.7% on the week – The MSCI AC World TR Index had a 1.74% return from 30th December to 6th January as markets responded to upbeat economic data after solid December purchasing managers' surveys and continued hopes for U.S. fiscal stimulus with the Trump inauguration due on 20th.

Eurozone inflation crosses the 1% mark for first time since September 2013 – Latest data from the European Union's statistics office Eurostat showed consumer prices accelerated at the fastest pace since September 2013, climbing 1.1% in December, but still well under the ECB defined target of close to 2%.

U.K.'s FTSE 100 index hits record high for 7th day running – The FTSE 100 closed on Friday with a seventh consecutive all-time high, rising 0.2%, or 14.74 points, to close for the first time ever at over 7,200 (7,210.05). It's now approaching the longest run, of eight consecutive closing highs, achieved in May 1997.

Turkey's currency hits record lows – The Turkish lira reached record lows against the U.S. dollar last week caused both by security fears after a series of gun and bomb attacks and higher-than-expected inflation. The economy has also remained sluggish, with a smaller-than-expected rise in industrial production in November,

The Story of the week: At the huge Las Vegas technology and electronics event - Consumer Electronics Show (CES) 2017 – some of the many interesting innovations exhibited were: a computer designed by Intel that is roughly the size of a credit card; the *Onvi Prophix* toothbrush priced at \$399 that films the inside of the mouth as it cleans; the *Faraday Future FF 91*, a family-sized electric vehicle with the claimed acceleration of a Formula 1 car and *Jyro*, a one-wheeled rideable gyroscopic skateboard, livening up the most humdrum journey, which will retail at \$1,299.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 06/01)
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	1.2
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	1.0
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	1.0
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	1.8
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	2.6
Nikkei 225	22.9	56.7	7.1	9.1	0.4	1.8
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	1.8
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	1.7
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.6	2.4
German	1.4	1.9	0.5	0.6	0.3	0.3
UK	1.9	3.0	1.9	1.9	1.4	1.3
Japan	0.7	0.7	0.3	0.2	0.1	0.0
Ireland	4.5	3.4	1.3	1.1	0.9	1.0
Italy	4.6	4.1	2.1	1.6	1.8	1.9
Greece	12.7	8.2	9.6	7.9	7.0	6.7
Portugal	6.9	6.1	2.7	2.5	3.7	3.9
Spain	5.4	4.1	1.6	1.7	1.4	1.4
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	0.75
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/€)	1.31	1.37	1.21	1.09	1.04	1.05
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.86
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.22
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	8.5 (to end of Q3)
U.K.	8.1	2.7	10.7	17.8	13.1	1.3 (to end of Q3)
U.S.	14.5	5.3	11.4	11.2	12.1	5.9 (to end of Q3)

*Past performance is not a reliable guide to future performance